

Stocks plunge as no headway in BB-BSEC row

STAR BUSINESS REPORT

Shares on the Dhaka Stock Exchange plunged yesterday, ending a five-session gaining streak after shaky investors booked profit as little headway was made to resolve the dispute between the Bangladesh Securities and Exchange Commission (BSEC) and the central bank.

The DSEX, the benchmark index of the premier bourse of the country, ended at 6,952 after losing 96.85 points, or 1.37 per cent.

Turnover stood at Tk 1,152 crore, down 13.45 per cent from Tk 1,331 crore a day earlier. Of the total issues, 97 advanced, 257 declined, and 20 were unchanged.

daily market review.

At the heart of the disputes is two recent decisions from the BSEC.

Recently, the commission has ordered all the listed companies, including banks and non-bank financial institutions to deposit their undistributed dividend to the stock market stabilisation fund.

It also allowed banks and NBFIs to declare dividend from the current year's profits despite having cumulative losses. But, the central bank ordered them not to follow the BSEC order.

Last week, senior officials of the BB and the BSEC sat at a meeting at the central bank. But no progress was made.

KEY INDEX OF DHAKA BOURSE

(In points); SOURCE: DSE



Heavy sell pressure had been observed in the large market cap sectors such as financial institutions, miscellaneous, textile and banking during the session. It came despite a meeting between a number of regulators at the finance ministry on Tuesday.

Senior officials of the central bank, the BSEC, the Investment Corporation of Bangladesh, and the National Board of Revenue were unanimous in working to develop the stock market. But no major decisions about ending the current tussle between the BSEC and the Bangladesh Bank came.

The delay made the investors shaky in putting fresh bets in the stocks, said International Leasing Securities said in its

Fine Foods Ltd gained the most yesterday, advancing 9.87 per cent. Fu Wang Food, Shurwid Industries, FAS Finance & Investment, and Desh Garments also rose significantly.

Dulamia Cotton Spinning Mills was the worst-performing stock on the day, giving up 7.38 per cent. Other major losers include Aramit Cement, Aamra Networks, One Bank, Sena Kalyan Insurance, and Phoenix Finance & Investments.

Shares on the Chittagong Stock Exchange also fell. The CASPI, the key index, closed at 20,359, down 250.99 points, or 1.21 per cent.

Of the companies, 82 won, 184 lost, and 23 were unchanged.

Indigenous foods winning hearts

Creating scope for CHT people to become entrepreneurs

LALANLIAN PANGKHUA

Growing popularity of food items native to Chittagong Hill Tracts has created an opportunity for indigenous people in the area to become entrepreneurs.

With the world gradually becoming more health conscious, the people of Dhaka and other major cities in the country are increasingly looking for chemical-free organic foods.

"The demand for fruits, vegetables and meats found in hilly areas is very high in the capital," said Subimol Chakma, who runs a shop called Hill Bazar in Dhaka's Mohammadpur.

"After I started the business in 2019, my target market was only the indigenous people living in the city but my products started getting popular among everyone," he added.

Subimol sells a variety of food items from the hilly region, including potatoes, beans, jackfruit, sugarcane, guava, sticky rice, wild spinach and sweet corn.

He also sells fish caught from Kaptai Lake, pork and other meats.

The native of Rangamati buys these items directly from traders in the hilly districts -- Rangamati and Khagrachari -- and brings them to Dhaka by bus, truck or covered van.

"Our major challenge is keeping these items fresh as any prolonged delays during transport could result in those getting spoiled," he said.

Still though, various traders say that challenges remain in running their businesses.

"Although our sales are very high, we make very little profit because of excessive transportation costs," Subimol said.

In addition, many traders of the indigenous community in Dhaka become victims of extortion by local gangs and political groups, he said.

He sought cooperation from Chittagong Hill Tracts Development Board and the Rangamati district



PHOTO: COLLECTED

(Clockwise from left) From papayas, bananas and bitter gourd to the stems of banana trees, all types of fruits and vegetables native to the Chittagong Hill Tracts are seen on display at a store in Dhaka's Mohammadpur. Shops like these are becoming increasingly popular due to the growing appetite for organic food among city dwellers.

council to overcome these challenges.

Subimol is also mulling over whether indigenous traders could form an association so that they could band together in Dhaka under a single platform and help each other out if necessary.

There are several other indigenous food shops in Kazipara and Senapara of Dhaka's Mirpur.

Biply Chakma, who owns Hebang Restaurant in Kazipara, said she started selling fruits and vegetables as well as cooked food items through an online portal in 2016.

After seeing how quickly these items gained popularity, she decided to launch the restaurant in 2018.

"Ensuring food diversity is our top priority. Every day, we try to serve different types of items," added Biply, who hails from Rangamati.

While talking about how she came about starting the business, Biply said that her younger sister was a student of the University of Dhaka.

"She often brought food items from the Chittagong Hill Tracts to distribute among her friends, who loved the taste. Then, an idea came to our mind to sell the food items on a commercial basis," she added.

Another trader Amit Chakma, who owns a shop called Rannye Jum Ghor in Mirpur, said they face

considerable customer pressure during the weekly holidays.

"The demand for fruits and vegetables grown in the hilly districts is so high that all of our produce are usually sold out by noon on Fridays and Saturdays," Amit added.

Ajual Bawm, who studies at a private university in Dhaka, said people like him see a reflection of their traditions and culture in these food items.

Besides, indigenous people no longer need to go all the way back home to enjoy these foods since they are now available in the capital, he added.

GLOBAL BUSINESS

US plans to crack down on shell companies

AFP, Washington

The US Treasury is moving to combat corruption, money laundering and tax evasion by shell companies by requiring firms disclose their ownership, according to proposed rules announced Tuesday.

The crackdown comes as President Joe Biden launches a government-wide effort against graft ahead of International Anti-Corruption Day on Thursday.

The proposal would create a database to record "beneficial owners" of all companies and many trusts, meaning anyone who owns 25 per cent of a firm or can make decisions for the company, Treasury said.

"The proposed rule for beneficial ownership reporting is a major step toward addressing the gaps in our corporate transparency framework that allow corruption to flourish and illicit funds to flow into the United States," Treasury Secretary Janet Yellen said in a statement.

The rule "will help close the loopholes that undermine US national security, bolster economic fairness and protect the integrity of our financial system."

Treasury's corruption and terrorism watchdog, the Financial Crimes Enforcement Network (FinCEN), will collect public comments on the proposed rule through February 7, but officials could not provide a timeline on when a final rule might be adopted.

The beneficial ownership information reporting provisions are required under the Corporate Transparency Act (CTA) that Congress approved in early January.

Amid rising concern that US state governments are making their own loopholes that allow the creation of trusts that can serve as tax havens, Treasury officials told reporters they will gather information on how different states treat those entities.

While the proposed rule will apply to some business trusts, others likely would be exempt, the documents said.

A congressional subcommittee is due to hold a hearing on Wednesday on the issue of US tax havens following up on the so-called Pandora Papers, an investigation by a global network of investigative journalists on money laundering and tax dodging.



Federal Reserve Board Chairman Jerome Powell and US Secretary of the Treasury Janet Yellen wait to speak during a hearing of the House Financial Services committee on Capitol Hill in Washington, DC on December 1.

Saudi Arabia, Oman ink deals worth \$30b

AFP, Riyadh

Saudi Arabia signed agreements with Oman potentially valued at \$30 billion, state media said Tuesday, as Crown Prince Mohammed bin Salman began a tour of Gulf Arab countries, including former rival Qatar.

Saudi and Omani companies "signed 13 memoranda of understanding worth \$30 billion", the official Saudi Press Agency reported.

The MoUs between the two countries, which seek to diversify their economies away from oil, range from cooperation in the energy and tourism sectors to finance and technology.

Prince Mohammed, Saudi Arabia's de facto ruler, arrived in Muscat on Monday night, the first stop in a regional tour ahead of a Gulf Arab summit in mid-December.

He met with Sultan Haitham bin Tareq, who ascended the throne in January last year after the death of his cousin Sultan Qaboos.

From Oman, Prince Mohammed arrived later Tuesday in Abu Dhabi to start a two-day visit to the United Arab Emirates, the official WAM news agency reported.

He will also visit Bahrain, Kuwait and Qatar, according to SPA.

His trip to Doha will mark the first visit since Saudi Arabia and Qatar severed ties four years ago.

Saudi Arabia, the UAE and Bahrain cut all links with Qatar in June 2017, alleging it backed radical Islamist groups and was too close to Riyadh's rival Tehran -- allegations Doha denied.

They restored full relations with Qatar in January after a landmark summit.

Omicron sets back airline industry's recovery hopes

REUTERS

New travel restrictions prompted by the Omicron coronavirus variant have set back the nascent recovery in international flights, creating delays and headaches in some regions, according to airline and airport officials.

The flurry of new testing rules and border closings has raised concerns ahead of the important Christmas travel season, but some airline bosses said they hope any backward moves will be short-lived.

Global airlines have blamed a patchwork of shifting rules for depressed demand for international travel, which is critical for their return to profit following steep Covid-19 pandemic-related losses in 2020.

American Airlines incoming Chief Executive Robert Isom told Reuters the Texas-based carrier's return to profitability is contingent on a full-scale recovery in travel demand. American has the largest debt stock in the US airline industry.

"If there's anything (in the way), it just

delays recovery," he said. He said the airline's domestic business remained strong but the new travel restrictions had dampened demand in some international markets.

Airline stocks have recovered some ground following a sell-off last week. While investors are taking heart from anecdotal evidence that suggests the new variant might not be as lethal as originally feared, it could take weeks, even months to know its effect on the course of the pandemic.

UN agencies specializing in aviation and tourism pleaded on Tuesday for travel restrictions in response to new coronavirus variants to be imposed only as a last resort.

Japan has banned foreigners, the United States is requiring a Covid-19 test 24 hours before flying, and travellers to Singapore now must be tested daily for seven days after arrival.

"We were seeing accelerating openings until Omicron," Campbell Wilson, chief executive of Singapore Airlines budget offshoot Scoot, said at an event held in Sydney by market-intelligence company CAPA Centre for

Aviation. "We have seen basically a pause since then," Wilson added.

Airlines and travel agencies are hopeful that rising vaccination rates and new medicines would make a difference.

"This is not the spring of 2020," said Booking Holdings Inc's Chief Executive Glenn Fogel. "Absolutely not."

But Sue Carter, head of Asia Pacific at booking technology firm Travelport, said she has seen some searches go down week on week, adding that traveller confidence tends to be closely linked to government announcements.

A spokesperson for trade group Airports Council International (ACI) World said the global patchwork of travel rules is challenging airport operations and called for better coordination between countries.

US trade deficit shrinks as exports surge

AFP, Washington

Strong American export business caused a large drop in the US trade deficit last month, even as imports also rose, according to government data released Tuesday.

The gap between imports and exports of goods and services dropped 17.6 per cent to \$67.1 billion last month, bringing the trade deficit down from a record hit the month before, the Commerce Department reported.

Exports jumped \$16.8 billion from September to \$223.6 billion, while imports rose by a small \$2.5 billion to \$290.7 billion.

Sales of goods jumped the most with a \$15.8 billion increase led by industrial supplies and materials, while services exports rose only \$1 billion.

Meanwhile, the value of goods purchased from abroad rose \$1.8 billion, particularly of cars, parts and engines, which rose \$1.5

billion. Service imports rose \$700 million.

Mahir Rasheed of Oxford Economics called October a "historically strong month for exports," and noted that while the trade deficit remains above its level before the Covid-19 pandemic, "we expect stronger export growth and moderation in import volumes to keep the deficit stable next year after reaching multiple record highs in 2021."

"However, the Omicron variant is a key downside risk that threatens to distort trade flows by slowing the global recovery in early 2022," he added.

Among trading partners, the deficit with China dropped \$3.2 billion, with an increase in exports making up most of the change.

The deficit with the European Union fell as well, also due to export growth, though the deficit with Mexico rose by \$800 million.